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LETTERS OF SUBMITTAL

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
March 31, 1954.

MEMBERS OF THE APPROPRIATIONS COMMITTEE,
United States Senate, Washington, D. C.:

I am attaching hereto a report prepared by the Investigations Division of the Senate Appropriations Committee. Several members of the committee have commented in their reports on extensive investigations in many areas of the world that the activities of State Department employees have been greatly restricted by instructions from Washington requiring reports on a variety of subjects.

This report tends to substantiate this criticism and outlines a course of action looking toward a permanent solution to the problem.

With kindest regards, I am

Very truly yours,

STYLES BRIDGES.

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
March 31, 1954.

HON. STYLES BRIDGES,
United States Senate, Washington, D. C.

DEAR CHAIRMAN BRIDGES: I am attaching hereto a staff report on the subject of the foreign reporting system in the United States State Department. The information contained herein was abstracted from the files of this office and investigative work conducted by the staff. The report was compiled and prepared by Agent Alan J. Kraft.

As you know, from time to time criticism has been directed to the State Department based on the rather well established fact that many of the United States foreign diplomatic missions, particularly the smaller establishments, have become so bogged down preparing and disseminating reports that they have difficulty performing their diplomatic functions. The report in hand substantiates this contention to a considerable degree. The purpose of this report is one of orientation of the problem rather than a complete analysis of all facets involved.

You will note that there are several basic questions propounded and the most important of these might be listed as follows:

1. Is there sufficient economic and/or political benefit to the United States to justify a continuance of this extensive reporting system?
2. Assuming that these reports do justify their existence, is the information obtainable from other sources?
3. Can the program be put on a self-sustaining basis?

It is beyond the scope of this document to provide the answers to all of these questions but it is hoped that this report will stimulate consideration of the problems which have heretofore developed according to an evolution rather than according to a definite plan.

With every good wish, I am

Very truly yours,

PAUL E. KAMERICK,
Chief, Investigations.

FOREIGN REPORTING SERVICE

Recently there has been much criticism of the foreign reporting system now in use in the United States Foreign Service.

Senator Allen J. Ellender, as a result of observations made on visits to foreign posts, criticized the reporting systems in the Malay States, the Belgian Congo, New Zealand, French West Africa, Ceylon, Australia, Nigeria, Union of South Africa, Indonesia, Egypt, Ethiopia, Kenya, and the Gold Coast as being capable of much improvement of method and of considerably more economy than now is being practiced. His general conclusions are as follows:

1. All installations, regardless of size, are held to the same reporting requirements. This should be looked into and reorganized.
2. The reports are voluminous in nature and require preparation of lengthy time-consuming documents.
3. Continued detailed repetitive reports of an administrative nature detract from the feeling of confidence which should exist between the chief of mission and his superiors.
4. The preparation of voluminous reports on the interior affairs of friendly nations sometimes detracts from the good feeling between the host nation and the United States. This should be carefully scrutinized.

Similarly, Hon. Dennis Chavez, chairman, Special Subcommittee on Appropriations, United States Senate, in a January 1954 special report on Spain and French Morocco made the following observations:

As to reporting work for other Government agencies, it was learned that in the previous fiscal year about 80 percent of the reporting was done for the Department of Commerce. The chargé d'affaires has informed the Department of State that it could not carry so heavy a load in the future. Types of instructions received from the Office of International Trade, Department of Commerce, which the legation estimates require approximately 50 percent of the time of the Economic Section staff, are:

1. Requests for export-transactions checks.
2. Requests for reexport control of goods of American origin shipped to Tangier.

This reporting work imposed on our legations and without reimbursement to the State Department needs committee review. Millions of dollars are spent yearly for this service to the Departments of Commerce, Agriculture, and Labor, and it appears high time that a reexamination be made of the importance of statistics gathered.

Statistical reporting is mostly for the Commerce Department; 90 percent of the special reporting stems from Commerce Department requests. Here again appears some need for a reevaluation of report requests.

Notice has been taken of the problem by the House of Representatives. In the House Report No. 1242 on the State, Justice, and Commerce appropriations bill, fiscal year 1955, they say on page 3, with reference to the State Department:

The Department is requested to examine very carefully requests for reports of all types from the Foreign Service, originating not only in the Department of

State but in other departments of Government. Members of this committee have been advised by responsible people serving overseas that many of the requests for reports and information are unnecessary, wasteful, and unproductive.

And on page 15, with reference to the Department of Commerce:

The necessity for certain reports from the Foreign Service is recognized, however, it is felt that all requests of this Bureau should be carefully screened to make sure that they will serve a worthwhile purpose.

A study conducted in Washington indicates that the problem of foreign reporting is a twofold one: The major and most troublesome part being economic reporting and the other being political and administrative reporting. The latter type of reporting primarily is for the benefit of the State Department and is not subject to any standardization, as is the case with economic reporting. The very nature of the information required by the Department of State makes a uniform set of rules practically impossible. The State Department and various intelligence and other agencies must keep up to date with the subtle political situations in the foreign posts. Several efforts were made in the past to set a standard by which all the posts could assure adequate political coverage, but experience has shown that such coverage must be left to the discretion of the officers in the field. One cannot predict when a situation will arise in a particular part of the world which would warrant a report, thus the voluntary nature of such reporting is a necessity. The State Department and other interested agencies must have enough faith in the caliber and competence of the field officials to make this program a workable one. To all indications the current program is quite satisfactory to all concerned. The only criticism seems to be that the volume of required economic reporting, in many cases, is so great as to cut down the ability of the field officers to spend enough time and to make sufficient necessary contacts to adequately service the political and administrative reporting requirements which are of vital interest to the State Department. The only standards set out by the State Department for the information and guidance of field officers are found in the Foreign Service Manual. This manual, last revised on March 28, 1952, sets out in broad outline the types of data that the State Department would like to receive from the field but the manual sets neither a minimum nor maximum, nor does it attempt to regulate the manner in which the political and administrative type of reporting is done. The Chiefs of four geographic Bureaus within the Department of State (Near East, South Asia, and African Affairs, Inter-American Affairs, European Affairs, and the Far Eastern Affairs) have general control over the political and administrative reporting within their respective bureaus. Following is a list of the types of reports generally desired and received on an unscheduled and discretionary basis from the field:

- (1) Specific labor reporting.
- (2) Reporting on negotiations and conferences.
- (3) Domestic political situation, leaders, elections, etc.
- (4) Biographic reporting on all important people.
- (5) Important functions and affairs.
- (6) Disputes and acts of aggression between countries.
- (7) Diplomats seeking safe haven.
- (8) Reaction within the country to various proposals by the United States Government.

(9) Requests for important leaders to visit the United States, including matters of protocol.

(10) Certain aspects of intelligence.

The field of economic reporting is by far the more complex and more troublesome one. The problem first arose back in 1939 (Reorganization Plan No. 2) with the consolidation of foreign representatives of the various departments into a centralized United States Foreign Service administered by the State Department. This was replaced by the Foreign Service Act of 1946. The problem seems to have come to a head with the issuance of Executive Order 10249 in June 1951. This order sets forth the basic framework for the administration of Foreign Service economic reporting.

The Executive order, issued under section 311 of the Foreign Service Act of 1946, provides that the Secretary of State shall collect economic information for the other agencies of the United States Government, subject to the conditions established in the order. These conditions are that the Secretary of State may assign priorities to requests in accordance with standards which he promulgates after consultation with the agencies involved, and that the Secretary of State is authorized to limit the total volume of requests to the resources available to perform this work.

Pursuant to this order the Department of State formulated a series of reporting programs, one for each country represented by the United States Foreign Service. These programs are known as comprehensive economic reporting programs (CERP's). The first series of these programs was distributed among the 129 posts in the latter part of 1952 and the second series in the latter part of 1953. A sample CERP formulated for Japan is attached and marked "Exhibit A." These programs are tailored to the individual needs of each country insofar as these needs can be foreseen. It must be noted here that many of the questions contained in the CERP's now can be satisfactorily answered by merely obtaining various publications made available by the Government of the host country, or by other sources within the host country. This is an attempt at economy and is a refinement derived mostly from the experience gained from the first set of programs sent out. Many foreign posts have difficulties, though, as a result of the fact that there are no available Government publications or that such publications as are available are untimely, inaccurate, or not capable of accurate translation. In such cases the CERP requirements must be met by the Foreign Service staff members compiling the information for themselves. This sometimes is extremely time-consuming and gives rise to much of the criticism aimed at the program. The usual CERP is divided into four sections:

Section A contains outlines for basic or background reports which cover a significant sector of the economy, or discusses in detail some significant economic problem. These reports are prepared once and thereafter need be kept up to date only at specific request from the Department.

Section B of the program describes the statistical data that must be submitted on a repetitive basis. These statistics may be submitted either in reproducible dispatch form or, if available in local publications, it is only necessary for the Embassy to submit the appropriate number of copies of the pertinent publications.

In addition to submission of statistics, the embassy is under instruction to submit commentary on significant developments with respect to the subjects and industries listed in section B. For example, when the budget figures are submitted, it is incumbent upon the embassy to prepare an analysis of significant shifts in the budget and some evaluation of the probable effects of the shifts on the economy and on the future outlook for financial stability. Similarly, in submitting statistics on the textile industry, it would be expected that, from time to time, the embassy would include comments on the extent to which the industry's capacity is being utilized, the backlog of orders, if any; significant additions to plants; and the outlook for the near future.

Section C of the CERP contains the requirements for the preparation of repetitive analytic reports. Reports are also required on particular aspects of the economy, such as labor, finance, agriculture and industry.

The fourth section of the reporting program is known as an "Alert List" and is composed of a series of items which do not require reporting with a fixed frequency, but on which the embassy is to report when any significant developments occur. The use of this device allows the embassy some flexibility in reporting and permits it to give attention and emphasis to developments which may have particular significance at a particular time, but which cannot be anticipated or are unknown to Washington.

There has been a reduction in the reporting requested by the CERP programs of approximately 10 percent since their inception in December, 1952. In that first series of programs, 19,423 requests were sent out to the field; in the second series of programs, in December 1953, 16,988 requests were included. This reduction might have been effected even without outside criticism because in the first round of programs the Department was feeling its way without prior experience. The second program was trimmed, utilizing the experience gained from the first.

By no means are all of the requirements for economic reporting represented by the instructions in the CERP. Hardly a day passes that telegrams, letters, and special instructions are not transmitted, requesting pieces of economic information which may be either of a routine character or which may reflect matters deemed of importance at a particular moment in Washington.

Such requests are of varied nature, such as World Trade Directory reports, export license data, trade lists, or specialized information of interest to specific groups. An example of the latter is found in a Commerce Department request circulated on February 12, 1954, to 68 foreign posts. The report, for the benefit of United States producers and exporters of motion pictures, requires the following data:

1. Number of 35-millimeter motion-picture theaters in operation within the country.
2. Estimated total seating capacity.
3. What percentage of films shown on the screens within the country are from the United States.

Another such request was dispatched on February 15, 1954, to 15 foreign posts. This report was for the benefit of the United States pulp and paper exporters. The information required was as follows:

I. Domestic output (report in tons only, omit values)

A. *Production.*—Separately for (a) paper; (b) paperboard (include fiber building boards if any); and (c) converted paper products, yearly for 1937, 1942, and 1948-53, the latter year if possible. Estimates acceptable if official information lacking; please indicate.

B. *Capacity and proposed expansion.*—Separately for (a) paper; (b) paperboard (include fiber building boards if any); and (c) converted paper products, for the year 1953, and announced plans for near future years:

- (1) Present capacities in tons (annual basis);
- (2) Proposed capacities in tons (annual basis);
- (3) Proposed location and expected year of completion of new capacity.

C. *General comments.*—

- (1) Quality of domestic manufacture compared to imported grades.
- (2) Growth trends, methods of financing, and related factors concerning the domestic pulp and paper industry in your country.

II. Imports

A. Import statistics are being compiled in Washington. It may develop that import data for certain years, more particularly the last 2 years, are not available in Washington, and we may submit a separate special letter of request in such instances.

B. *General comments.*—

- (1) Identify principal supplying countries relative to growth trends, new products imported, and reasons therefor (statistics not necessary).
- (2) How do United States grades compare with other supplying countries?
- (3) Terms of sale (credit extensions, barter, or similar significant variations) of suppliers of pulp, paper, and board other than United States.

III. Exports

A. Export statistics are being compiled in Washington. It may develop that export data for certain years, more particularly the last 2 years, are not available in Washington, and we may submit a separate special letter of request in such instances.

B. *General comments.*—

- (1) Identify principal countries of destination relative to growth trends, new products exported, and reasons therefor (statistics not necessary).
- (2) Potential export market possibilities for pulp and paper products produced in your country.

IV. Market conditions in your country

A. Overall observations on demand, present, and potential.

B. Consumption trends (analyze noteworthy trends and developments with special attention to the following:

- (1) Food wrapping and packaging (dairy products, frozen foods, fresh vegetables, meat wraps, grocery bags, etc.).
- (2) Sanitary papers (i.e. toilet, towels, facial, napkins). Refer to hygienic laws, current or potential.¹
- (3) Printing and writing papers (refer to literacy trends, school development programs, etc.).
- (4) Industrial uses (fiber shipping containers, folding and setup boxes, multiwall bags, etc.).¹
- (5) Building uses (building boards, fiber insulation, etc.).
- (6) Other.

C. In the United States the growth in paper and board consumption during the past 20-25 years has been almost parallel to the upward trend in the index of total industrial production of all manufactured goods; paper consumption also shows a very close correlation with the United States gross national product. Indicate for your country the general extent of industrial expansion in the past decade and prospects for the next few years in terms of the past and potential effect upon paper and board demands.

D. Other observations.

¹ Refer in particular to kraft papers or paperboards (made from unbleached or bleached sulfate woodpulp).

The following figures are significant in showing the trend for the past 3 years:

Airgrams, telegrams, and letters, etc., screened and transmitted to the field:

1951	21,028
1952	19,020
1953	19,409

Number of single-time reports requested:

1951	22,679
1952	21,222
1953	20,045

The preceding figures are broken down as follows:

1951—Agriculture	571
State	1,913
Commerce	17,776

Total out of 22,679

1952—Agriculture	311
State	2,208
Commerce	16,416

Total out of 21,222

1953—Agriculture	439
State	1,930
Commerce	17,310

Total out of 20,045

Economic dispatches and telegrams received from the field (this includes voluntary reports as well as those requested):

1951	79,156
1952	71,337
1953	69,160

It can be seen from the foregoing figures that there has been no significant reduction in the number of single-time or "spot" reports requested or sent to the field nor has there been much significant reduction in the total volume of such reports received from the field.

As can be observed also from the foregoing figures the three largest users of the reporting service are, in order of the number of requests received: The Department of Commerce, the Department of State, and the Department of Agriculture. Following them, in order, are the Treasury Department, Department of Interior, Department of Labor, and the Tariff Commission. Other agencies, such as the Central Intelligence Agency, also use the service to some extent and are also to a measure served indirectly through requests made through the Commerce Department or other such department actually for the benefit of CIA or other sensitive agencies.

It must be noted that the above figures might be somewhat misleading since they are based on the actual number of requests received and are not measured by the difficulty or time involved in securing the desired information. In other words, the seemingly tremendous difference in the number of reports requested by Commerce over those requested by the other agencies might be tempered by the fact that a great many reports required by Commerce can be fulfilled with a minimum of effort and time in the field while the requests of other agencies, although fewer in number, might be relatively more difficult or time consuming to fulfill. Because of the great number of requests received by the Division of Foreign Reporting, the Department of State has found it necessary, pursuant to the terms of Executive Order 10429, to establish a system of priorities in the handling of report requests, both under the CERP and single-time requests.

Every single-time request is sent first to the Operations Branch. That branch goes through all its files and records to ascertain if the data has already come in or is available from other sources. The regional bureaus and the economic area are then called for analysts to determine whether the request is important enough to submit to the Foreign Service. The Division of Foreign Reporting has certain standards for the assignment of priorities to requests. The standards are attached as exhibit B.

This priority system has led to much criticism from the various requesting agencies because many low priority requests are allowed to remain in the field so long that by the time they are answered the material no longer is of value to the requesting agency. This subject will be taken up later in a discussion of the two largest users outside of the State Department, i. e., Commerce and Agriculture.

There are backlogs of economic reports in nearly every post in the world. There is not sufficient manpower now in the field to keep up with the volume of requests required by the CERP's and by the current volume of individual agency needs. Such backlogs account in part for the dissatisfaction of outside agencies with this service and for the difficulty in many cases of making satisfactory political and administrative reports as required by the Department of State. A survey has been prepared by the Bureau of Far Eastern Affairs, dealing generally with economic reporting requirements in that area.

The survey shows the comparative figures on economic reporting for 1952 and 1953. They are as follows:

Categories of required reports submitted	1952	1953	Number reduced	Reduction
Section A (basic or background).....	37	12	25	68
Section B (repetitive statistical data).....	1,507	1,416	91	6
Section B ("as available" statistical data).....	181	155	26	14
Section C (repetitive analytical).....	715	539	176	25
Total CERP for Bureau of Far Eastern Affairs.....	2,440	2,122	318	13

The 13 percent reduction is illustrative of the general situation of all 4 geographic bureaus.

Included in the survey also are the following conclusions, indicative of the general thinking of the other geographic bureaus as well as of FE.

1. Although section A "Basic or Background" reports were decreased by 68 percent, and section C "Repetitive or Analytical" reports were decreased by 25 percent, section B "Repetitive Statistical Data" reports, which comprise by far the heaviest workload at FE posts, were decreased by only 6 percent. The "Total CERP" decrease of 13 percent is therefore less indicative of impact upon the workload than the 6 percent reduction in section B reports.
2. Requirements of other claimants (CIA, Agriculture, Commerce, Labor, the "I" area of State, etc.) for economic information provided by Foreign Service posts in the Far East area, have prevented reduction of reporting in proportion to personnel complements.

FE proposed to REP, in connection with the recent reduction-in-force, deletions of required reports that would have reduced the workload 30 to 35 percent in the posts affected. The proposal related only to the needs of FE and recognized that legitimate needs of other claimants would not permit their full implementation. It was based upon the need to free reporting officers to the maximum extent possible for spot reporting due to the increasingly critical situation in southeast Asia.

REP complied to the extent considered feasible through deletions, partial deletions, changes in periodicity, and reductions in priority, but was unable to comply more fully due to—

(a) Conflicting or overriding demands of other agencies and other areas of the Department; and

(b) Absence of any policy of mandatory curtailment of reporting demands by all agencies.

3. Claimant agencies, listed as follows, submitted to REP written comments on the current CERP for Tokyo, principally protesting deletions, urging additions and objecting to proposed periodicity and priorities: Treasury, 27 pages; CIA, 16 pages; Interior, 12 pages; Labor, 10 pages; Commerce, 7 pages; Federal Reserve Board, 7 pages, etc. (many other agencies urged their demands orally; Agriculture, for example, required extensive conferences).

Similar pressures from claimant agencies on REP, affecting most country reporting staffs, are largely responsible for continued heavy reporting requirements.

4. In addition to compliance with reporting schedules of CERP, economic reporting officers at FE posts are carrying an unusually heavy workload of representation, aid to American businessmen abroad, participation in conferences and missions, urgent spot reporting by telegram, etc.

5. REP has made continuous efforts to coordinate and reduce the volume of economic reporting in the interest of accomplishing objectives effectively with available manpower. However, it still is unable fully to implement the authority vested in the Department by Executive Order 10429 to gear reporting to manpower capacity, except through efficiency devices of CERP, because—

(a) Participating agencies, including elements of the Department, are able successfully to promote reports considered by them as essential to fulfill legitimate needs; and

(b) Despite demonstrated willingness of some agencies to cooperate by moderating their requirements, others appeal on "pet" projects to whatever departmental level they consider necessary to apply pressure upon REP to save such reports.

6. Any further reduction on Foreign Service economic reporting staffs, including those of FE countries, could have one, or all, of the following consequences:

(a) Make impossible the task of meeting the demands of claimant agencies, and generate renewed, intensified efforts of some agencies to establish or reestablish their own reporting organizations apart from the Foreign Service;

(b) Preclude receipt by responsible agencies of the minimum information essential to their respective areas of responsibility for the national security.

7. The potential of FE and of the Foreign Service as a whole to adequately serve United States interests in the economic reporting area appears to depend upon—

(a) Further appraisal and clarification of the roles of all interested agencies, with particular emphasis upon those of FOA and CIA vis-a-vis the Foreign Service. This might best be accomplished by followthrough of the Budget Bureau on its report of 1950 which resulted in Executive Order 10429;

(b) Continuation and strengthening of CERP, and more positive implementation by the Department of its authority to regulate the demands of claimant agencies;

(c) Implementation of procedures whereby claimant agencies would fully support, and actively participate in, planning and justifying the budget of the Foreign Service for economic reporting; and

(d) Provision of an adequate complement of competent, specially trained, economic reporting personnel in each mission, commensurate with the economic significance of each country to the strategic interests and foreign policy objectives of the United States.

Following are the figures on the volume of economic reporting required from Japan in the last 2 years. They are significant to illustrate a slight drop in the volume of CERP reports required but an increase in the number of single-time reports requested:

	1953	1954
CERP reports required from Japan (total).....		
Basic analytical.....	362	285
Repetitive statistics.....	8	0
Number of repetitive statistics made by publications.....	227	209
Repetitive analytical.....	104	113
	127	76

Spot reports required, broken down by agency

	1952	1953		1952	1953
Agriculture.....	5	11	Tariff Commission.....	0	1
Interior.....	2	7	Other combined agencies.....	4	66
Labor.....	1	1	Commerce.....	392	671
State.....	91	78	Total.....	500	840
Treasury.....	4	5			
Federal Reserve.....	1	0			

Number of CERP required publications by frequency

Frequency	Number	Frequency	Number
Weekly.....	1	Quarterly.....	2
10 days.....	1	Semiannually.....	1
Monthly.....	11	Annually.....	8

Reference is made also to a report prepared by the Bureau of Near Eastern, South Asian, and African Affairs to illustrate the difference between the CERP of 1952 and that of 1953. This report shows a slight decrease in required reports, as follows:

Country	Section A, basic, analytical	Total section B	Number section B met by publications	Section C, repetitive, analytical	Total all reports
Number of reports required by CERP's, January 1953					
Total.....	15	1,342	567	372	1,729
Ceylon.....	0	147	119	7	154
Greece.....	0	175	68	76	251
India.....	7	352	164	76	435
Iran.....	0	158	41	70	228
Pakistan.....	5	251	45	69	325
Turkey.....	3	250	130	74	336
Number of reports required by CERP's, January 1954					
Total.....	5	1,215	523	324	1,544
Ceylon.....	0	142	112	7	149
Greece.....	0	137	68	67	204
India.....	4	346	135	65	415
Iran.....	0	149	41	62	211
Pakistan.....	0	216	51	61	277
Turkey.....	1	225	116	62	288

A chart has been prepared by the Bureau of Inter-American Affairs, dealing with the same years and including, wherever possible, comparative 1946 figures. This report, like the others, shows a general slight decrease:

FOREIGN REPORTING SERVICE

Bureau of Inter-American Affairs, Foreign Service, political and economic work items

	1946	1952 (Apr. 1, 1951, to Mar. 31, 1952)	1953 (Apr. 1, 1952, to Mar. 31, 1953)
Foreign Office notes.....	11,874	10,530	9,883
Biographic data.....	779	5,890	6,166
Agriculture reports.....	6,271	3,798	3,096
World trade directories.....	11,610	5,352	5,095
Trade lists.....	2,428	1,268	1,052
Trade promotion.....	22,992	20,343	18,392
Trade assistance:			
Consultations:			
American business.....	(1)	51,675	46,408
Foreign business.....	(1)	109,536	78,371
Visits by businessmen.....	(1)	69,361	66,912
Trade-protection cases.....	1,730	1,438	1,544
Political and economic reports:			
Political.....	(2)	9,986	9,373
Labor.....	(2)	979	1,016
Finance.....	(2)	1,806	1,673
Minerals and petroleum.....	(2)	1,714	1,073
Transportation and communications.....	(2)	1,746	1,457
Commodity and industry.....	(2)	3,065	2,973
General economic.....	(2)	4,784	3,698
Total political and economic reports.....	50,833	24,080	21,263

TRADE

	1946	1952	1953 (6 months)
Exports to Latin America.....	<i>Millions</i> \$2,077.3	<i>Millions</i> \$3,337.9	<i>Millions</i> \$1,421.2
Imports from Latin America.....	1,759.8	3,410.0	1,835.6
Total.....	3,837.1	6,747.9	3,256.8

¹ Comparative data unavailable.
² No breakdown available.

Mr. George M. Czayo, Executive Director of the Bureau, has issued an order marked "Urgent," with the intention of bringing the foregoing figures up to date. The order is attached and marked "Exhibit C."

The field of labor reporting should be examined briefly. It is not a clear-cut field, falling neither completely into the category of political reporting nor completely into the field of economic reporting. The reporting is done chiefly by the labor attachés of the various posts or a regular staff member where there is no such position. The chief end users of the information obtained in the labor field are the Department of State and the Labor Department. The former are interested mostly in the political implications of events in the labor movements and the latter are concerned also with general labor statistics and information.

The bureau chiefs in the four geographical bureaus of the State Department think that labor is an important field for political coverage for the reason that the labor movement attitudes frequently are indicative of the Communist infiltration within a given country. There seems to be very little bogging down caused by labor reporting, except possibly in the statistical portion of the CERP's prepared for the Labor Department. These are subject to the same general backlogging as in

the rest of the CERP program but the general feeling is that the information is important all around and should not be further reduced. There has already been a great deal of cutting made in this field for economy purposes. For example, the Bureau of Inter-American Affairs reports an estimated 50 percent cut in labor reporting to date, 10 half-time positions have been eliminated in Peru, Bolivia, Paraguay, Uruguay, Brazil, Panama, Honduras, Nicaragua, El Salvador, and Colombia. A full-time man has been dispensed with in Cuba.

It is the feeling of John T. Fishburn, labor adviser, Bureau of Inter-American Affairs, that cuts such as these have left labor reporting badly neglected in those areas and insufficient information could foreseeably cause the United States to lose ground to the Communists too near home.

As mentioned heretofore, one of the largest end users of the foreign reporting service is the Department of Agriculture. As a result of being a large user of the service, the Agriculture Department also is one of its severest critics. In a conference with Clayton A. Whipple, Acting Administrator of the Foreign Agricultural Service, Fred J. Rossiter, Assistant Administrator, Foreign Service and Trade Programs, and P. K. Norris, Director of the Foreign Service Division, the following conclusions were brought forth:

There is a tremendous surplus of agricultural products in this country and in order to maintain a sound and healthy economy the administration feels that the surplus should and must be disposed of as expeditiously as possible. Such a program is quite impossible under the current system of foreign reporting. Agriculture needs facts and figures on a current, not historical, basis, and the priority system now in effect constitutes a barrier to obtaining any such information in time to make good use of it. The Division of Foreign Reporting in the State Department is not in position, according to these men, to know what is immediately important to Agriculture and to the users of Agriculture's services, yet it sets the priorities, usually low ones, for Agriculture, and generally administers the program without much regard to Agriculture's wishes. The Executive order states that the end-user agencies will be consulted about their wishes with regard to foreign reporting requirements, but seldom has a single substantial suggestion made by Agriculture been accepted by State, according to the above-named officials. It is impossible for Agriculture to cut down on the number of spot requests made to the Division of Foreign Reporting because there is no way of predicting in advance what such requests might be or when they might be needed. Moreover, the Division of Foreign Reporting often assigns such low priorities to urgently needed data that it is of little or no use when received. This is due largely to the perishable nature of agricultural commodities and the rapidly fluctuating prices in the agricultural market. The spot requests, however, are screened and examined within the Department of Agriculture before being sent for dissemination in the field.

It might be possible to cut down on the volume of data required by the Agriculture Department under the CERP even though the spot requests cannot be reduced. This is being examined currently by a four-man committee under the supervision of Mr. P. K. Norris, with an eye to cutting to the bone the material needed from the Foreign Service on a repetitive basis. The committee is comprised of Mr.

Print Hudson, agricultural attaché, Athens, Greece; Mr. Robert Adcock, Mr. Robert Bausch, and Mr. P. K. Norris.

As an example of the time element necessary for what Agriculture considers adequate coverage for its end-users, a schedule of release dates of various agricultural reports is attached as exhibit D. It is obvious from this schedule that the Department of Agriculture must receive the required information from the field in time to meet the schedule. It must be emphasized, however, that this schedule has been submitted by Agriculture with no proof that the information dispensed through this service is of a nature vital enough to justify the burden on the Foreign Service. It depends mostly on the value to be placed on Agriculture's services to the agricultural interests within this country.

The largest user of the foreign reporting service, outside the State Department, is the Department of Commerce. Through its function as adviser to American business, it must lean on the Foreign Service as the chief source of statistics and other information to be passed on for the use of commercial interests. The Department of Commerce, as in the case of the Department of Agriculture, is dissatisfied with the service of the Division of Foreign Reporting, as now in existence. Commerce officials wanted the CERP program to be held in abeyance until Commerce could decide on the type and amount of information it needed, but the decision was made to go ahead with the CERP without waiting. In June 1953 an order was sent out within the Commerce Department as a result of this decision, which order directed Commerce officials to refrain from further cooperation with regard to the CERP program. (See exhibit E.) A discussion with Mr. G. H. Keatley, Deputy Assistant Director, Foreign Service Operations Bureau of the Department of Commerce, has developed the following conclusions with regard to the Commerce Department:

I. Commerce requires specialized information and the data requested by State Department from the field is too generalized.

II. The CERP revisions seem to be made more with an eye to the views of the foreign posts than to those of Commerce.

III. Too much emphasis is placed by the CERP on analytical reports. Commerce would rather get factual data from the field and have their own specialists in Washington analyze it.

IV. State Department officials are not in a position to assign priorities to requests since they are not familiar with the day-to-day requirements of the Department of Commerce, or other end-users. Business is based largely on a time element, and the CERP priority system often makes timely information unavailable. There have been cases of even telegraphic communications being assigned low priority despite the fact that the very use of telegraph would indicate speed as a desirable element.

According to Mr. Keatley, the Commerce Department realizes the necessity of cutting down on the volume of foreign reporting. Each request is examined before submission to the field. In case of a request which is to be circularized among a large number of foreign posts, a hearing is held at which the request is analyzed as to importance and as to timeliness. There have been few such mass requests in the past 3 years. A memorandum was issued in February 1954 within the Commerce Department to illustrate the fact that the Department is cognizant of the problem and is making attempts to improve its

end of it. This memorandum, signed by George T. Elliman, as Chairman of the Working Group on Foreign Service Reporting, recommended that each Business and Defense Services Administration (BDSA), Industry Division, should, as soon as possible, review the information now on hand in the foreign field, appraise the reports currently being received, and submit a program to the working group with its comments on what material is now available and what they would like to change, improve, and augment in order to supply the industries which they represent with the necessary information. This should be done, according to the memorandum, only after canvassing the industries involved as to their needs and making sure the information is not available through other sources.

The Department of Commerce has taken further action on the problem during the course of the instant investigation. An order was dispatched on March 4, 1954, to all concerned, putting the submission of World Trade Directory reports, in connection with trade lists (one of the most extensive of all reports required by Commerce), on a voluntary rather than a mandatory basis. This is intended to alleviate some of the backlogging in the field caused by the former need to meet a time deadline on such reports. A copy of the order was sent to this office and is attached as exhibit F. The importance of this type of report (World Trade Directory Report) has been established by Mr. E. E. Schnellbacker, Director, Office of Intelligence and Service, Department of Commerce. The reports are vital to commercial intelligence with regard to end-user checks for offshore procurement, export control, and statistics on foreign-assets control. The reports also are vital to American businessmen interested in the foreign market in order that they may know the qualifications and background of the foreign businesses with which they are to deal.

COST OF REPORTING

There are no accurate or clear-cut figures available to determine the actual present dollar cost of the reporting required by the Department of State and by the end-user agencies. The only figures that are partially illustrative of the expense of the reporting system are the costs of maintaining the people in the foreign posts, which people are connected with the reporting program. The 1954 costs as submitted by the four geographical bureaus of the State Department to the Bureau of the Budget are as follows:

Bureau	Man-years	Cost
EUR.....	201	\$1,237,000
FE.....	80	402,000
NEA.....	219	1,100,000
ARA.....	183	1,107,000
Total.....	683	3,846,000

The foregoing figures are for personnel only and do not take into account the other major factors involved in the overall reporting system. Such factors can be broken down roughly into three categories:

- (1) Costs of collecting the information in the field;

(2) Costs of screening, compilation, and dissemination of the information within the Division of Foreign Reporting and the State Department;

(3) Costs of furnishing the information to the end users.

It has been estimated by Assistant Secretary of State Edward T. Wailes and confirmed generally by his deputy, Mr. Edward B. Wilber, and by Mr. William Ziehl of the Bureau of the Budget, that the overall cost of the foreign reporting system probably is 7 or 8 million dollars annually. This is merely an approximation derived from all of the presently known facts and figures.

CONCLUSIONS

1. The present system of foreign reporting gives every appearance of being cumbersome, expensive, and of uncertain effectiveness.

2. The staggering volume of reports on a wide variety of subjects raises serious questions concerning the efficacy of expending the time and money now devoted in vast quantities to such activities.

3. Efforts have been made by the interested agencies to reduce the volume and to reconcile conflicting interests but these efforts, while they have helped, have contributed little to an overall solution to the problem.

4. With the data available, it is not possible to determine—

- (a) The cost of this service to the United States Government;
- (b) To what extent duplication of effort exists;
- (c) What use is being made of the information provided;
- (d) The value of such information, if any.

5. The alternatives to the maintenance of this expensive and ineffectual operation have not been adequately explored.

RECOMMENDATIONS

1. The interested agencies of the Government, primarily the State, Commerce, and Agriculture Departments, should reassess all future requests in the light of the value to be received from each prospective report.

2. Effort should be made to determine the exact cost of the reporting program. Such a survey would assist greatly in the event it is deemed advisable to charge a reasonable fee for the service and would aid in the elimination of duplication and lost motion. The interested agencies should explore fully all alternative sources of information, primarily the diplomatic representatives of foreign governments assigned to this country and international organizations, both public and private. Such an arrangement would probably be mutually beneficial and less expensive, as well as possibly helping to improve overall international relations on a "help each other" basis.

3. A survey should be made by these agencies to determine what actual use has been made of reports to date, both by Government agencies and by private firms and individuals. The results of this survey should assist in screening future requests.

4. A study should be made to determine the feasibility of putting this program on a self-sustaining basis by charging reasonable fees to both Government agencies and private organizations for information secured at their request.

5. Every effort should be made by the State Department to have the field personnel exercise greater selectivity in choice of subject matter for voluntary reports, without depriving the Department of important diplomatic information.

6. The system of priorities should be reexamined by the State Department with the active collaboration and participation of the interested agencies in order that a means be found to provide the reporting service on a more efficient, equitable and economic basis.

7. Every effort should be made to pursue these matters vigorously in the near future so that the reporting program may be brought within a workable scope.

8. The Appropriations Committees of both Houses of Congress should be informed concerning progress in these studies.

EXHIBIT A

DEPARTMENT OF STATE

Washington

Official Use Only

JAPAN

COMPREHENSIVE ECONOMIC REPORTING PROGRAM, FEBRUARY 23, 1954

SECTION A.—Requirements for basic or background reports

Reports left to the discretion of the Embassy.

SECTION B.—Requirements for repetitive statistical data

Subject	Date due	Frequency	Prior-ity
GENERAL			
1. Gross national product and national income....	(1).....	Annually.....	3
(a) Gross national product by major elements (personal consumption, Government expenditures, investments, etc.).			
(b) National income by distributive shares (factor payments as wages, investment income, income of unincorporated business).			
(c) National income by industrial origin (agriculture, manufacturing, transport, etc.).			
2. Industrial production indexes (overall and by major commodity groups).	(1).....	As published.....	3
FINANCE			
3. International reserves.....	Feb. 1, May 1, Aug. 1, Nov. 1.	Quarterly.....	3
(a) Gold or foreign exchange holdings (by currency area) of Foreign Exchange Control Bank, Bank of Japan, and commercial banks.			
(b) Total amount of gold and exchange bought and sold, excluding inter-bank transactions.			
4. Balance sheet of Bank of Japan.....	(1).....	As published; for last week of each month.	3
5. Composite balance sheets of commercial banks.....	(1).....	As published or as readily available.	3

See footnotes at end of table, p. 19.

SECTION B.—Requirements for repetitive statistical data—Continued

Subject	Date due	Frequency	Prior-ity
FINANCE—continued			
6. Balance of payments (including transactions under payments agreements), global and bilateral with the United States:			
(a) By major segments, with particular note of special United States procurement in Japan.	(1).....	Quarterly.....	3
(b) In detail.....	June.....	Annually.....	3
7. Total transactions and balances due under clearing and payments agreements, by country.		As available.....	4
8. Central government fiscal operations:			
(a) By major segments of actual receipts and expenditures.	(1).....	Quarterly.....	3
(1) With borrowing, debt repayment, and Government cash balances shown separately.	(1).....	do.....	4
(b) In detail, giving statistical reconciliation of receipts and expenditures with changes in public debt and treasury cash position.	(1).....	Annually.....	3
(c) Budget estimates, shown in same detail as for actual operations.	February.....	do.....	3
(d) Summary of the financial operations of State and local government bodies.	(1).....	do.....	5
9. Total operations data of insurance companies.	(1).....	As published.....	5
10. Total foreign investment in Japan and Japanese investments abroad.		do.....	5
11. Bureau of Mint Interrogatory.....	Sept. 1.....	Annually.....	5
FOREIGN TRADE			
12. Trade with the Soviet bloc:			
(a) Total value of imports and exports by country of origin and destination, respectively.	(1).....	Monthly.....	3
(b) Commodity detail, quantity and value, by country of origin and destination, respectively.	(1).....	do.....	2
13. Total trade:			
(a) Total value of exports and imports by country of origin and destination, respectively.	(1).....	do.....	3
(b) Imports and exports, quantity and value, by principal commodities and commodity groups.	(1).....	Quarterly.....	3
(c) Full commodity and country detail.	(1).....	Annually.....	4
PRICES			
14. Price indexes (including cost of living, farm parity, wholesale and retail, stock market, export and import).	(1).....	As published.....	3
15. Wholesale and retail prices of major commodities.	(1).....	do.....	4
LABOR			
16. Total employment and unemployment.....	(1).....	do.....	3
17. Employment by industry.....	(1).....	As available.....	4
18. Average weekly hours worked.....	(1).....	do.....	3
(a) By industry.....		do.....	4
19. Hourly and monthly wages.....		do.....	3
(a) By industry (including bonuses and payments in kind).		do.....	4
20. Total unemployment compensation disbursements.		do.....	5
SOCIAL			
21. Population, migration, vital, public health, and education statistics.	(1).....	As published.....	4
AGRICULTURE			
22. General crop conditions..... Submit tabular outline per attached form.	20th of month, except December, January, and February.	9 times a year.....	3

See footnotes at end of table, p. 19.

SECTION B.—Requirements for repetitive statistical data—Continued

Subject	Date due	Frequency	Prior-ity
AGRICULTURE—continued			
23. Grains and feeds.....		5 times a year.....	3
(a) Rice.....	Jan. 15.....		
Acreage and production preceding year.			
(b) Rice, wheat, barley, naked barley, oats, corn.	Feb. 15, May 15, Aug. 15, Nov. 15.		
Domestic collection, utilization, and foreign trade preceding calendar quarter; stocks end of quarter. Current prices, market situation and outlook. In February report also include acreage and production preceding calendar year and forecast import requirements current year.			
24. Cotton.....		13 times a year.....	3
(a) Consumption and foreign trade preceding month; stocks end of month.	20th of each month except September.		
(b) Cable: Foreign trade consumption, and stocks from supply and distribution table.	Sept. 10.....		
(c) Supply and distribution table for preceding Aug. 1-July 31 season; current market situation and outlook. Include data requested in paragraph (a) above.	Sept. 20.....		
25. Livestock and livestock products.....		3 times a year.....	3
(a) Wool.....	Mar. 1.....		
Consumption, imports, preceding year; stocks, end of year.			
(b) Livestock, meat, dairy products:			
(1) Livestock numbers for major species, milk cows separately; production, consumption, foreign trade preceding calendar year of meat and dairy products.	Feb. 20.....		5
(2) Estimate of total and commercial production of meat and milk, current calendar year.	Sept. 1.....		5
26. Tobacco.....		2 times a year.....	4
(a) Flue-cured—acreage and production, preceding calendar year.	Jan. 15.....		
(b) Acreage, production, consumption, and foreign trade preceding calendar year; stocks, end of year; current prices, market situation, and outlook.	Mar. 15.....		4
27. Fats, oils, and oil-bearing materials (vegetable, animal, and marine).	Apr. 20.....	Annually.....	4
Production, consumption, and foreign trade, preceding calendar year. Current prices, market situation, and outlook.			
28. Silk.....	Nov. 15.....	do.....	4
Production, consumption, foreign trade, preceding calendar year of silkworm eggs, cocoons, and raw silk; stocks, end of year; current market situation and outlook.			
29. Tea.....	Mar. 10.....	do.....	5
Acreage, production, consumption, and exports, preceding calendar year; stocks, end of year; current prices.			
30. Sugar.....	Apr. 1.....	do.....	5
Submit form A.			
31. Citrus fruit.....	June 1.....	do.....	5
Production, preceding fall and winter.			
32. Pulses.....	Oct. 10.....	do.....	5
Market situation and outlook, including import requirements.			
FISHING AND WHALING			
33. Fish and shellfish.....	Apr. 1, Oct. 1.....	Semiannually.....	3
Fish catch (by species for 90 percent of commercial catch); production of processed fish (cured, canned, filleted, fish-meal); prices; foreign trade.			

SECTION B.—Requirements for repetitive statistical data—Continued

Subject	Date due	Frequency	Prior- ity
FORESTRY, FOREST PRODUCTS, AND PAPER			
34. Forest resources. Area of productive forests, volume of standing timber by softwoods and hardwoods or individual species; total annual growth, commodity drain and noncommodity drain (fire, insects, disease, etc.).		As new estimates are released.	4
35. Lumber. Production, foreign trade.	July 15.	Annually	4
36. Woodpulp: (a) Production, foreign trade.		Quarterly	4
(b) Annual survey	Prepare upon receipt.	Annually	5
37. Paper: (a) Production and foreign trade by major types.		do.	4
(b) Newsprint survey	Prepare upon receipt.	do.	4
38. Naval stores (rosin, turpentine). Estimated production, and foreign trade preceding calendar year; stocks end of year; current prices.	Feb. 28.	do.	5
MINING AND PETROLEUM			
39. Coal and coke: (a) Production by type; foreign trade, stocks.	Feb. 15, May 15, Aug. 15, Nov. 15.	Quarterly	3
(b) Consumption by principal industries and consumer groups.		Annually, if available.	4
40. Petroleum and products: (a) Crude imports.		Monthly	4
(b) Crude and refinery production; foreign trade.	(1)	Quarterly	4
(c) Bunkering; year-end stocks.	Mar. 15.	Annually	4
41. Natural-gas production.	(1)	do.	5
42. Aluminum, cobalt, copper, iron ore, lead, magnesium, nickel, pyrites, sulfur, titanium, zinc. Production (mine, smelter and refinery as appropriate), foreign trade.	(1)	Quarterly	3
43. Mineral production statistics questionnaire.	Prepare upon receipt.	Annually	3
MANUFACTURING			
44. Electronics and electro-technical equipment (with emphasis on radar and military electronic devices). Production and foreign trade.	Apr. 1, Oct. 1.	Semiannually	2
45. Scientific and professional instruments. Production, by type.		Annually	3
46. Industrial machinery and equipment. Quantity and/or value. Production of metalworking, agricultural tools and machinery, prime movers, textile, paper and pulp machinery; machine tools; chemical, construction, material handling, mining and excavating, metallurgical equipment; electric machinery (generators, motors, transformers, steam and hydraulic turbines); roller bearings.	(1)	do.	3
47. Transportation equipment. Production by item; commercial aircraft, automobiles, trucks, tractors, railroad rolling stock.	(1)	Annually	3
48. Merchant shipbuilding. Ships built and under construction, by types, including shipbuilding for export.	(1)	Semiannually	4
49. Electric power: (a) Total production.	(1)	Quarterly	4
(b) Generating capacity; consumption by categories such as industry, transport, communications, agriculture, domestic, etc., and within industry by major uses, such as steel, aluminum, chemicals, etc.	(1)	Annually	4

See footnotes at end of table, p. 19.

SECTION B.—Requirements for repetitive statistical data—Continued

Subject	Date due	Frequency	Prior- ity
MANUFACTURING—continued			
50. Iron and steel:			
(a) Production, foreign trade, by major classes (pig iron; ferroalloys; crude steel, i. e., ingots and steel for casting; finished steel mill products).	(1).....	Quarterly.....	3
(b) Scrap consumption, stocks and exportable surplus.	(1).....	As available.....	3
(c) Consumption of steel by major industries.	(1).....	Annually.....	4
51. Textiles (fiber, yarn, and fabrics).....	(1).....	Semiannually.....	3
Production, by kind and major types; number of spindles and looms in operation.			
52. Chemicals.....	(1).....	Annually.....	4
Production.			
53. Chemical fertilizers.....	Oct. 1.....	do.....	4
Production by kinds (indicating plant nutrient content); foreign trade; stocks; prices.			
54. Optical products (including binoculars and cameras).	(1).....	Annually, if available.....	4
Production, by type.			
55. Industrial ceramics.....	(1).....	Annually.....	4
Production of major products, particularly refractory brick.			
56. Synthetic rubber.....	Mar. 15.....	do.....	5
Production.			
57. Glassware.....	(1).....	Annually, if available.....	5
Production.			
58. Clocks and watches.....	(1).....	do.....	5
Production.			
59. Automotive tires and rubber soled shoes.....	(1).....	Annually.....	5
Production.			
60. All other important manufactured products (emphasis on products exported to the United States in significant quantities):		As available for individual items.	5
Production.			
TRANSPORTATION			
61. Merchant shipping:			
(a) Oceangoing fleet (1,000 GRT and over): Number by type, size, age; active and inactive.		As published.....	5
(b) Total net registered tonnage of vessels, by flag, entering and clearing major ports.	(1).....	do.....	5
(c) Statistics descriptive of inland and coastal fleets and their activities.		do.....	5
62. Land:			
(a) Rail:			
(1) Number of locomotives and freight cars, by type.	(1).....	Annually.....	5
(2) Traffic statistics (carloadings, total ton kilometers; movements of major commodities in metric tons).		As published.....	5
(b) Motor-vehicle registrations.....	(1).....	do.....	5
63. Air:			
(a) Number of aircraft operated by national airlines by type.		Annually.....	5
(b) Traffic and operating statistics.....		As published.....	5
(c) Annual financial reports of national air carriers.		As available.....	5
OTHER			
64. Hides and skins.....		Annually.....	4
Imports by types.			
65. Travel and tourism.....		Annually, if available.....	5
Entry and exit data.			
66. Construction.....		Annually.....	5
Floor area.			
67. Motion-picture statistics.....		As published.....	5

¹ Statistical requirement met by submittal of publication.

SECTION C.—Requirements for repetitive analytic reporting

Subject	Date due	Frequency	Priority
1. Part II—Economic Section, Joint WEEKKA (weekly economic notes). Review and appraise succinctly the significant economic developments of the week.		Weekly	3
2. Economic review. Discuss briefly and explain carefully the current overall trend of economic (including politico-economic and social-economic) activities, considering the economy in its entirety insofar as possible. Show clearly the interrelationship of these activities and their aggregate effect upon the whole economy. Indicate the likely future course of the economy and of its major segments, and make recommendations appropriate to the formulation of United States policy. NOTE.—Guides for the preparation of general economic reports, including suggestions on subject coverage, are contained in 3 FSM II 110. Topics in sec. D of this CERP also should be considered.		Bimonthly	3
3. Financial report. (a) Review the important financial developments of the preceding year which have affected the supply of and demand for money. Consider for example, such conditions as— (1) Government cash surplus or deficit; (2) Excess of receipts or payments in international transactions; (3) Expansion or contraction of bank credit to business and individuals; (4) Changes in level of savings and investment. (b) Describe and explain carefully the underlying financial factors which contributed to each of the conditions covered in (a) above, and indicate their relative importance. Consider among other factors such underlying and related ones as: (1) Increases or reductions in tax rates and revenues and changes in incidence of taxation; (2) Shifts in amount and kind of Government expenditures for goods and services; (3) Changes in means of financing fiscal deficits, or disposing of or otherwise allocating fiscal surpluses; (4) Changes in general interest rate levels, discount and rediscount rates, credit mechanisms, banks' liquidity position; (5) Modifications in effective exchange rates and in exchange and trade controls; (6) Business and individual reactions to changes as reflected in decisions to purchase versus those to invest and save. (c) Review changes in announced financial policy and in attitudes of responsible officials; indicate the significance or possible effects of these changes in terms of the probable future course of financial developments.	June 15	Annually	4
4. Economic relations with the Soviet bloc. Review and appraise significant developments with respect to economic relations with the Soviet bloc. See Economic Reporting Circular No. 34 for details.	Jan. 31 Apr. 30 Jul. 31 Oct. 31	Quarterly	3
5. Labor report. Summarize and analyze significant labor developments using the outline as suggestive of topics to be covered when appropriate. The 4th quarter's report should contain a short 2- or 3-page summary placing the year's events in proper perspective. (a) Relations of labor with management, Government, public; (b) Communist efforts to infiltrate labor unions; (c) Political activities of labor unions; (d) Notable changes in working conditions or real wages which affect social unrest; (e) Collective bargaining and wage contracts; (f) Labor legislation or regulations. (g) Trade unionism: Affiliations, activities, attitudes. (h) Participation of trade-union officials in international labor activities.	Feb. 15 May 15 Aug. 15 Nov. 15	do	

FOREIGN REPORTING SERVICE

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SECTION C.—Requirements for repetitive analytic reporting—Continued

Subject	Date due	Frequency	Priority
<p>6. Food supply</p> <p>Analyze the current food situation and prospects. Summarize food supplies for the current consuming year beginning Aug. 1. Include stocks at beginning of year, production, and probable import requirements and export surpluses. Review food supply and disappearance during preceding year ending July 31, including a summary of production, foreign trade, and stocks of major food commodities. Comment on adequacy of Japanese diet for major population groups and geographic areas. Report probable consequences of inadequate supplies.</p>	Nov. 15	Annually	3
<p>7. Agricultural report</p> <p>(a) Review important agricultural policy and program developments during the preceding year which affect overall agricultural production, consumption, and trade. Discuss the relationship between agricultural developments and the following: United States policies and trade; trade relations with other countries; and the economic welfare of the agricultural industry. Consider important developments relating to the following subjects in this review:</p> <p>(1) Future prospects for adequate agricultural credit; including both short-term credit through the Central Cooperative Bank and long-term credit through the Agriculture, Forestry, and Fisheries Bank.</p> <p>(2) Price policy and food controls.</p> <p>(3) Changes in membership, effectiveness, and political objectives of farm organizations.</p> <p>(4) Changes in programs or practices relating to extension, education, and research.</p> <p>(5) Reclamation, drainage, and other developmental projects.</p> <p>(6) Developments relating to animal husbandry, irrigation, seed improvement, mechanization, fertilizer production and practices, and other farm techniques.</p> <p>(b) Discuss the current position of the farm sector of the economy and changes which have affected it and its relationship to the nonfarm sectors considering such factors as the following:</p> <p>(1) Distribution of income.</p> <p>(2) Popular farm support of Government policies and programs related to agriculture, both foreign and domestic; the farm attitude toward other important economic groups.</p> <p>(3) Changes and trends in standards of living.</p> <p>(c) Analyze the market position of Japan in relation to surplus American agricultural commodities and indicate both the action necessary to retain our present market and the manner in which our exports might be increased.</p>	Mar. 15	do	4
<p>8. Fisheries</p> <p>Review and appraise important developments in the fishing and fish processing industry; potential exports; government aid and controls; research and technological improvements including changes in types of gear; international fisheries agreements, indicating domestic and international implications; changes in number, type, and gross tonnage of fishing and whaling vessels.</p>	Feb. 15	do	4
<p>9. Mineral industries (including iron and steel)</p> <p>To the extent appropriate discuss and appraise—</p> <p>(a) Activity and progress in the search for new deposits; exploration of known deposits; changes in mineral processing facilities; technological improvement including productivity of labor and mining and processing techniques; progress in terms of growth of Japanese economy.</p> <p>(b) Government regulation and participation; relationships with major companies.</p> <p>(c) Factors influencing present levels of output, including domestic and foreign demand, prices, cost of production, transportation, raw materials supply, labor problems, trade barriers, restrictive business practices.</p> <p>(d) Changes in ownership and financial structure.</p> <p>(e) Changes in capacity of iron and steel and other primary industries.</p> <p>(f) Near and long-term outlook.</p> <p>Emphasis should be given to iron and steel (including scrap), aluminum, copper (including brass, bronze and scrap), pyrites, sulfur (all forms), zinc, crude petroleum and major refinery products. Other minerals (including cobalt,</p>		Semiannually	4

SECTION C.—Requirements for repetitive analytic reporting—Continued

Subject	Date due	Frequency	Priority
9. Mineral industries—Continued lead, magnesium, manganese, nickel, ferroalloys, coal and coke, salt, titanium) should be covered when circumstances warrant. NOTE.—The Embassy is authorized to submit this report in sections as follows: (1) Iron and steel (2) Petroleum (3) Other minerals and metals		Semiannually Annually do	
10. Textiles (important raw fibers to major finished goods) Review as appropriate: important developments in various segments of industry; technological progress; problems and bottlenecks (including manpower); cost trends; effects of developments on Japanese economy and on international competition; outlook.	Mar. 1	do	4
11. Merchant shipping and ship building. As appropriate discuss and analyze— (a) Current levels of activity; extent of demand; cost factors; consumption of major materials, including quality and sources; manpower problems. (b) Government controls, participation, subsidies, needs and plans; major changes in shipbuilding capacity and facilities, port capacities and facilities. (c) Effect of developments on the Japanese economy as a whole. (d) Near and long-term outlook.	Nov. 15	do	5
12. Industries report. Summarize significant trends in those sectors of Japan's industrial economy not covered by the individual reports outlined above. Consider as appropriate— (a) Activity in major industries. (b) Factors influencing present levels of output, including domestic and foreign demand prices, cost of production, transportation, raw materials supply, labor problems, trade barriers, restrictive business practices. (c) Changes in capacity, ownership and financial structure. (d) Governmental policy, activity, regulations, development projects. (e) Near and long-term outlook.	Aug. 15	do	2
13. Scientific and industrial research and technological advance. In terms of probable effects on national product, worker productivity and international competition, appraise significant scientific and industrial research and technological progress. Consider, as appropriate, Government and private objectives and programs, including the research activities of colleges and universities; Government and private budgets and expenditures; relationship between Government and private research. Where applicable, and available, provide information by type of industry and fields of research.	Oct. 1	do	3

SECTION D.—Alert list

TOPICS OF PARTICULAR IMPORTANCE FOR REPORTING AS SIGNIFICANT DEVELOPMENTS OCCUR

(NOTE.—The mission within the limits of its capacity is responsible, of course, for reporting all significant economic developments. The following list has been prepared, however, to point up topics in which Washington is particularly interested at this time.)

General

1. Particularly significant developments with respect to subjects listed in sections B and C of this CERP.
2. Economic relations with the Soviet bloc, especially Communist China. (See ERC 34.)
3. Actual and likely effects of cessation of hostilities in Korea upon Japanese economy (e. g., production, trade, employment, prices).
4. Evidences of weakening or strengthening ability to support the present or possibly expanded complement of Japanese defense forces, to support United States troops stationed in Japan.

5. Measures to achieve economic self-support by the time special dollar earnings cease.
6. Government and private attitudes and actions affecting existing and possible United States and other foreign investments or business interests; new plants and facilities financed by foreign capital; specific opportunities for investment.
7. Cartel formation and restrictive business practices, including price fixing, division of markets and fields of production, production limitations and obstruction of technological development.
8. Progress in solving Japan's short- and long-term raw-materials needs from domestic and foreign sources.
9. Problems related to increasing Japan's productive capacity and activity with particular reference to increasing the production of raw materials and manufactures essential to Japan, the United States, and the non-Communist countries of Asia and the Far East.
10. Progress in rationalization of industry, other changes or trends in production and distribution of goods; effect upon employment, upon efficiency and costs of production, upon Japanese ability to meet competition in export markets.
11. Long-term plans for expanded production and utilization of resources.
12. Electric-power development and problems; new facilities, particularly multipurpose dams and their probable contribution to the area concerned and to the economy as a whole.
13. Appraisal of Japan's trade and other economic relations with south and southeast Asian countries, including economic and technical assistance offered or rendered by Japan; known attitudes of recipient countries; short- and long-term gains for Japan.
14. Negotiations of, accessions to, and attitudes toward economic and commercial treaties, agreements, arrangements; payments details and composition of trade.
15. Japan's official and popular position, attitudes and relations with respect to international organizations or agreements such as the United Nations, GATT, and specialized United Nations bodies, e. g., IMF, ISRD, ECAFE, ILO; anticipated official position on major economic issues to be discussed before such bodies.
16. Actual and prospective government legislation, regulations, decrees, executive or administrative actions affecting the various segments of the economy.

Finance

17. Division of financial and other responsibilities under the United States—Japanese mutual security arrangement.
18. Shifts in relative importance of Ministry of Finance, Bank of Japan, commercial banks and other agencies in determining fiscal, exchange control, monetary, and other financial policies.
19. Prospective changes in exchange rates; evidence of pressure upon exchange rates and exchange controls; arrearages in commercial and financial remittances.

Trade and commerce

20. Problems in achieving global and bilateral balances in Japan's foreign trade and other international transactions; measures to solve problems (e. g., controls, negotiations for liberalization of trade) and their success.
21. Changes in commercial policy, tariffs, customs regulations and measures, and trade controls.
22. Unfair and illegal imitation of United States products and concealment or misrepresentation of origin.

Labor and welfare

23. Changes in total and per capita real wages or purchasing power; causes and effects of changes including relationships to size of labor force, to unemployment, to management's employment policies, to sustained domestic market for Japanese versus imported goods.
24. Shifts in labor attitudes toward, e. g., wage demands, rationalization of industry, possible decline in United States aid to Japan.

Agriculture, forestry, and fishing

25. Changes in Government programs and plans for expanded production of foodstuffs and for procurement of necessary imported agricultural products.
26. Government actions to modify or repeal price supports and food controls; reaction of major population groups.
27. Progress of land-reform program; Government actions to change inheritance laws in order to decrease land fragmentation; their various economic, social and political implications.
28. Serious outbreak of plant or animal disease or of insect infestation indicating degree of seriousness and the crops or animals affected, and control measures.
29. Significant developments relating to the availability and consumption of forest products; actions taken to relieve the excessive drain on domestic forest resources.
30. Policies and plans with respect to expansion or improvement of fishing and whaling fleets and operations; problems and their settlement regarding territorial fishing rights; changes in export quotas and check prices on exports (e. g., canned and frozen tuna to United States); fisheries agreements (e. g., Australia, Korea).

Transportation and communications

31. Changes in policies and plans regarding expansion of Japanese merchant fleet and maintenance of shipbuilding facilities; effects of slump in world market demand for ships.
32. Problems of intensified competition in ocean shipping (e. g., rate wars).
33. Japanese security controls over shipping (such as charter of vessels and controls over carriage of goods), and Soviet activities toward Japanese shipping operations.
34. Significant civil aviation developments, including trends or changes in Government policy, regulations, technical facilities; establishment; ownership and control of national air carriers; negotiations of international aviation agreements.
35. Rail and highway development and problems; new facilities and their probable contribution to individual economic segments and areas and to the economy as a whole.
36. Changes in telecommunications policy and programs; improvements in important facilities.

Miscellaneous

37. Developments and changes regarding Japan's governmental, industrial, and academic plans and programs for broadening or intensifying scientific and engineering advancement.
38. Information regarding the export or proposed export of surplus property to undesirable destinations.
39. Notable motion-picture industry activities and problems affecting the distribution of United States films and the remittance of earnings thereon.
40. Transmit, with supplementary evaluation where appropriate, special reports prepared by Japanese Government agencies or private organizations which deal with various segments of and/or specific aspects of the Japanese economy.
41. Developments in Communist China. (See Department's Circular Airgram, June 4, 1953, 6:45 p. m.).

[A/REP: 2/23/54 State—PB, Washington, D. C.]

Crop conditions form—Japan

To be used as a *guide* for scheduled monthly report March through November, inclusive. Report due on the 20th of the month but send earlier if possible. Minor crops may be omitted except in November report.

Crop	Area for harvest		Condition or indicated yield per acre			Indicated production (metric tons)	
	1953	1954	1953	1954	Unit	1953	1954
Grains:							
Rice							
Wheat							
Barley							
Naked barley							
Oats							
Corn							
Buckwheat							
Millet							
Potatoes:							
White							
Sweet							
Pulses:							
Soybeans							
Adzuki beans							
Kidney beans							
Broad beans							
Peas							
Fruits:							
Oranges							
Apples							
Pears							
Other							
Oilseed:							
Rapeseed							
Sesame							
Flaxseed							
Fibers:							
Cotton							
Hemp							
Ramie							
Flax							
Jute							
Other crops:							
Hops							
Tea							
Tobacco							
Sugar beets							

Source: (If Embassy estimates differ from official data, footnote and explain).

EXHIBIT B

DEPARTMENT OF STATE

Washington

Departmental Announcement 20

STANDARDS FOR REVIEWING AND ASSIGNING PRIORITIES TO FOREIGN SERVICE
ECONOMIC REPORTING REQUIREMENTS

1. *Purpose*

The purpose of this circular is to provide standards concerning the appropriateness, use and importance of foreign economic data. These standards shall govern the preparation and review of, and assignment of priorities, to—

- (a) economic reporting requirements in comprehensive data statements, and
- (b) individual economic data requests.

2. *Background*

2.1 Executive Order 10249 of June 4, 1951, authorizes and directs the Secretary of State "to prepare and maintain . . . standards which shall govern the determination by the Department of State to transmit or not to transmit to the

Foreign Service, for action, any request for foreign data, and which shall also govern the assignment of priorities by the Department of State to the several requests transmitted by it to the Foreign Service for action".

2.2 Executive Order 10249 also provides for the preparation of comprehensive statements of the types of foreign data "appropriate" to be obtained through the Foreign Service, which would be of "substantial" use to the United States and with "due attention to the relative importance of the several types of data".

2.3 "Economic data requests" are defined generally in section 026, volume 1, Manual of Regulations and Procedures.

3. Application of Standards and Priorities

3.1 Other Government agencies and component parts of the Department of State initiating comprehensive data requirements and individual requests can greatly facilitate the review, coordination and approval of such requests by thoroughly reviewing the essentiality of their requirements and submitting only those requests which in their view are justified by current circumstances. It is believed that agencies will find these standards a useful tool in reviewing their own requirements.

3.2 In preparing comprehensive statements of data requirements, agencies will attach a tentative priority, as described herein, to each reporting requirement. The Division of Foreign Reporting will review the proposed priorities and the data requirements in these statements and prepare and approve consolidated reporting programs for each country.

3.3 Priorities will be assigned to individual data requests by the Operations Branch, Division of Foreign Reporting. It is anticipated that most individual data requests will fall into categories which will already have received a priority rating through the comprehensive data statement procedure. Agencies may wish, when the occasion warrants, to submit with a data request information justifying a higher than customary priority rating. The Operations Branch may, when necessary, request additional information regarding the use of the data in order to assign a proper priority.

3.4 Standards will be applied and priorities assigned to reporting requirements and data requests on a post-by-post basis. Obviously, therefore, the priority ratings for a given request may vary by post. In fact, a data request may secure a high priority rating in the case of one post and be considered of insufficient relative importance for transmittal to another post.

4. Determination of Importance of Use of Data

Data requirements and data requests will be placed in three categories, in accordance with the importance, so far as the United States Government is concerned, of the use to which the data will be put.

- a. *Critical Government Use* (Priority A)
- b. *Essential Government Use* (Priority B)
- c. *Desirable Government or non-Government Use* (Priority C)

5. Determination of Essentiality of Data

5.1 After classifying the use for which the economic data are primarily required, it is also necessary to determine the essentiality of the requested data to that end-use or program. The importance of a given type of data or individual request to the conduct of a program is classified into the following three categories which will warrant transmittal to the Foreign Service:

- a. *Critical* (Priority A)
Failure of the Foreign Service to provide the data: (a) would clearly prevent even a minimum operation of the program for which the data are primarily required, or (b) might, in the view of the Intelligence Advisory Committee agencies, compromise the national security interests of the United States.
- b. *Essential* (Priority B)
Failure of the Foreign Service to provide the data would be detrimental to the basic operation of the program for which the data are primarily required, but would not prevent its minimum operation.
- c. *Desirable* (Priority C)
Collection of the data by the Foreign Service would enhance the success of the operation of the program involved, but failure to collect would not be detrimental to its basic operation.

5.2 Not all proposed requests for data will fall into one of the above three categories, however. In the course of review it may be found that the data are: (a) already available; (b) of insufficient relative importance; (c) exceedingly

burdensome to collect as compared to their usefulness; (d) not available at a particular post; (e) clearly beyond the manpower capacity of the post. Any of these reasons may justify the decision to modify or not to transmit the data request.

5.3 The following outline is a guide in determining the importance of the requested data to the particular end-use involved and in deciding whether a data request should be transmitted:

a. *General*

(1) Are the data to be used in a well-conceived agency program to serve an immediate need or as a part of a systematic collection of material required by a clearly defined program, rather than to be stored for possible future contingencies?

(2) Does the request overlook the preferability of asking for certain parts of the requested information from one or several of the posts only as a specific need arises?

(3) Are there likely to be detrimental effects upon United States Government policies and programs if the requested data are not obtained?

(4) Does the importance and immediacy of the need for the data clearly outweigh the burden and cost to the United States of collecting them at each of the posts involved?

(5) Could the wording of the request be simplified or improved so as to enhance the likelihood of a satisfactory response?

(6) Have pertinent recommendations of the posts concerned been considered, or, if not previously available, sought?

(7) Have all related data needs been consolidated in this request?

b. *Availability of Data*

With regard to the availability of data, the following questions should be asked:

(1) Is the requested information, or any part of it, already available in publications, previous reports, or other sources? (A positive check is required in this connection.)

(2) Is information available through international organizations, or U. S. delegations to international organizations, which would make it unnecessary to send to the Foreign Service all or part of the proposed request?

(3) Could the data be more appropriately collected from domestic or other sources?

If the data are available in the United States, or could more appropriately be collected from domestic or other sources, then, the request will normally not be forwarded to the Foreign Service for action. If the requested data are adequately available in foreign publications which are not available in Washington, the Department will request that the Foreign Service post or posts forward as many copies of the publication as may be desirable or feasible in lieu of specially prepared reports.

c. *Appropriateness of Data Collection by the Foreign Service*

The appropriateness of Foreign Service collection should be judged in the following terms:

(1) Is the collection of the requested information a proper function of the Foreign Service?

(2) Is the nature of the requested information such that any attempt by field reporting officers to obtain it would result in compromising sources of data or established relationships, and, therefore, be likely to affect adversely their collection of more important data?

(3) Is the request too technical to get adequate response from the particular post or posts to which addressed?

If the data cannot be appropriately collected by the Foreign Service, requests for such data will not be forwarded to the Foreign Service for action.

d. *Detail of Request*

(1) Could the detail requested be reduced without impairing the usefulness of the data?

(2) Is the outline in such detail that really important aspects of the subject are likely to be overlooked by the reporting officer and result in a superficial report?

(3) Is the request sufficiently specific so that a usable answer will be secured?

FOREIGN REPORTING SERVICE

(4) Has the reporting requirement or request been designed to make publication of replies easy, rather than to secure all pertinent data and analyses actually required by Washington agencies?

(5) Has all available material been thoroughly reviewed to ensure that the request represents only gaps in the information on hand?

(6) Does experience indicate that the data, in the form and detail requested, are likely to be unavailable at the post or posts concerned?

e. *Geographic Coverage*

(1) Will the information requested from each of the specific posts involved make a *significant* contribution to an understanding of the world picture; economy, industry and trade of the foreign country; or United States economic relations with the foreign country?

(2) Has the data request been varied sufficiently in its content to take cognizance of geographic differences?

(3) Are there certain existing conditions in the countries concerned such as to make collection of the particular data not worthwhile, (e. g., customs, attitudes, dollar exchange restrictions, etc.)?

(4) Has appropriate consideration been given to the fact that, at approximately 75% of the total number of Foreign Service posts there are only three or fewer officer positions devoted to the entire field of economic reporting?

f. *Frequency*

(1) Could the frequency of requests be reduced without impairing the usefulness of the data?

(2) Is the subject matter something that changes infrequently? Would not a single-time request, with occasional reporting as warranted, serve as well as a repetitive request?

6. *Priority Ratings*

6.1 In assigning priority ratings to various types of data needs and individual requests, consideration will be given therefore, to both the overall importance of end-use or program involved (see paragraph 4) and the importance of requested data to the conduct of the program (see paragraph 5). Thus, each data need or request to be transmitted will initially receive two letter ratings.

a. *Overall Importance of End-Use or Program*

Critical Government Use—Priority A

Essential Government Use—Priority B

Desirable Government or Non-Government Use—Priority C

b. *Importance of Data to Conduct of Program*

Critical—Priority A

Essential—Priority B

Desirable—Priority C

6.2 Taking both factors into consideration, the possible priority rating combinations will be: AA, AB, AC; BA, BB, BC; and CA, CB, CC. The final priority rating assigned will be determined as follows:

Combination of Over-all Program and Data Importance

Final Priority Rating Assigned to Request

AA	1
AB}	
BA}	2
AC}	
BB}	3
CA}	
BC}	
CB}	4
CC	5

6.3 Originating agencies attaching proposed priorities to their reporting requirements should indicate those priorities in terms of the letter combination rating (e. g., BC, CA, AB, etc.) rather than in number form only.

7. *Manpower Considerations*

It is evident that it may be found desirable to collect more data than available manpower permits. In that case it may be necessary to cut off at some point in the above priority listing. It may be necessary at some post, for example, to cut off in the middle of the 4 bracket, or at the beginning of the 5 bracket or in the middle of the 5 bracket, etc. If this proves to be the case, and it becomes necessary to cut *within* some priority bracket, primary consideration will be given to the wishes of the originating agency as to which requests are to be complied with by the field within the given priority bracket. Of course, consideration

must also be given to the fact that several agencies may be competing within a priority bracket. In such a case, an individual agency's wish may not be absolutely followed.

EXHIBIT C

Urgent

DEPARTMENT OF STATE

BUREAU OF INTER-AMERICAN AFFAIRS

ARA Circular 54-19

March 2, 1954

SPECIAL OPERATIONS REPORT

Both subcommittees of the House and Senate Committees on Appropriations have indicated great interest in political and economic reporting required from Foreign Service posts. This matter has also been under review by the Department, and by the Bureau of the Budget since it is directly related to staffing requirements of the Foreign Service which underwent a substantial reduction in force.

Workload data received on previous Operations Reports (Form FS-243) has been valuable in determining changes and reductions in reports and other economic activities during periods up to April 1, 1953. Since that date we have received no comparative data from the posts and it is necessary to request a special report on certain items for an evaluation through February 28, 1954. We request that the attached special report form be filled out as soon as possible and one copy returned direct to ARA under cover OM, subject designation "ADMINISTRATION—ARA: Special Operations Report."

This circular has been sent direct to each Embassy and Consulate. Consulates should send one copy direct to ARA, and one copy to the supervising Embassy. Prompt submission of this report will be appreciated as it is expected to be used in connection with the forthcoming hearings before the appropriations subcommittee of the Senate.

GEORGE M. CZAYO,
Executive Director.

(Attachment: Special Operations Report Form.)

Bureau of Inter-American Affairs Special Operations Report, Period Apr. 1, 1953, through Feb. 28, 1954

Post ----

Code	Function and activity	Insert number of units Apr. 1, 1953, to Feb. 28, 1954
POLITICAL		
102	Reports Submitted	
104	Biographic Data Reports	
ECONOMIC		
	<i>Conversations:</i>	
201.1	American Businessmen	
201.2	Foreign Businessmen	
	<i>Reports:</i>	
202.1	Agriculture	
202.2	Commodity and Industry	
202.3	Finance	
202.4	Labor	
202.5	Minerals and Petroleum	
202.6	Transportation and Communications	
202.7	General Economic	
202.8	World Trade Directory	
202.9	Trade Lists	
	<i>Other Economic:</i>	
203	Trade Promotion Letters Prepared	
204	Trade Protection Cases Completed	
205	Estimated Visits Made	

Use this form in preparing report to save typing. Send one copy of this report direct to ARA under cover OM, subject designation "ADMINISTRATION—ARA: Special Operations Report."

FOREIGN REPORTING SERVICE

EXHIBIT D

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREIGN AGRICULTURAL SERVICE,
January 15, 1954.

WORLD SUMMARIES OF CROP AND LIVESTOCK STATISTICS

Schedule of Contents and Release Dates for 1954

1. The following world summaries will be prepared by the Committee on Foreign Crop and Livestock Statistics during the year 1954. These reports will be released in the current issue of *Foreign Crops and Markets* on the dates specified.

Date of release	Commodity	Contents
Jan. 18	Oats and barley.....	Estimate of 1953-54 acreage and production.
25	Citrus fruits.....	Preliminary estimate of 1953-54 production.
25	Fats and oils.....	Estimate of 1953 production.
Feb. 1	Cotton.....	Estimate of 1953-54 acreage and production.
8	Corn.....	Do.
22	Flaxseed.....	Do.
Mar. 1	Rice.....	Do.
1	Tobacco.....	Estimate of 1954 acreage and production in Southern Hemisphere.
8	Soybeans.....	Estimate of 1954 acreage and production.
15	Wheat and rye.....	Estimate of 1953-54 acreage and production.
22	Peanuts.....	Estimate of 1954 acreage and production.
29	Hogs.....	Estimate of number on farms, 1953; and preliminary estimate, 1954.
29	Oats and barley.....	Estimate of 1953-54 acreage and production.
Apr. 5	Poultry and eggs.....	Estimate of number on farms, 1953; and preliminary estimate, 1954; estimate of 1953 egg production.
12	Corn.....	Estimate of 1953-54 acreage and production.
12	Cattle.....	Estimate of number on farms, 1953; and preliminary estimate, 1954.
19	Apples and pears.....	Estimate of 1953-54 production.
19	Olive oil.....	Do.
26	Sheep.....	Estimate of number on farms, 1953; and preliminary estimate, 1954.
May 3	Potatoes.....	Estimate of 1953-54 acreage and production.
10	Sugar.....	Estimate of 1953-54 production.
17	Cotton.....	Estimate of 1953-54 acreage and production.
17	Milk.....	Estimate of cows milked and milk production and utilization, principal countries, 1953.
24	Meat.....	Estimate of 1953 production, by kinds.
June 7	Rice.....	Estimate of 1953-54 acreage and production.
14	Butter and cheese.....	Estimate of 1953 production.
14	Wool.....	Estimate of 1953 production; forecast, 1954.
21	Dried and canned milk.....	Estimate of 1953 production, principal countries.
July 19	Citrus fruits.....	Estimate of 1953-54 production.
Aug. 16	Tobacco.....	Preliminary estimate of 1954 acreage and production, Northern Hemisphere.
Sept. 20	Eggs.....	Preliminary estimate of 1954 production.
20	Apples and pears.....	Preliminary estimate of 1954-55 production.
27	Wheat and rye.....	Preliminary estimate of 1954-55 acreage and production.
Oct. 4	Flaxseed.....	Do.
11	Oats and barley.....	Do.
11	Cotton.....	Preliminary estimate of 1954-55 production; international trade, 1953-54; stocks, Aug. 1, 1954 (world totals only).
11	Hogs.....	Estimate of slaughter in specified countries, 1954; forecast, 1955.
18	Sugar beets.....	Preliminary estimate of 1954 acreage and production.
18	Cotton.....	Preliminary estimate of 1954-55 acreage and production.
18	Milk.....	Preliminary estimate of 1954 production.
25	Tobacco.....	Estimate of 1954 acreage and production.
25	Corn.....	Preliminary estimate of 1954-55 acreage and production.
25	Flaxseed.....	Do.
Nov. 1	Cotton.....	Preliminary estimate of stocks on Aug. 1, 1954.
1	Potatoes.....	Preliminary estimate of 1954-55 acreage and production.
8	Soybeans.....	Preliminary estimate of 1954 acreage and production.
15	Rice.....	Preliminary estimate of 1954-55 acreage and production.
15	Beans, dry edible.....	Do.
15	Coffee.....	Preliminary estimate of 1954-55 production and exportable surplus.
22	Wool.....	Estimate of 1954 production.
22	Sugar.....	Preliminary estimate of 1954-55 production.
22	Peanuts.....	Preliminary estimate of 1954 acreage and production.
Dec. 13	Cacao.....	Preliminary estimate of 1954-55 production and exportable surplus.
13	Olive oil.....	Forecast of 1954-55 production.
13	Wheat and rye.....	Estimate of 1954-55 acreage and production.

2. Interim forecasts and preliminary estimates for the foregoing commodities for individual countries will be prepared as information becomes available, and will be released in the current issues of *Foreign Crops and Markets*.

3. In addition to the above scheduled committee reports, the service plans to issue the following world or regional commodity summaries approximately on the dates listed:

Approximate date of release	Commodity	Contents
Jan. 18	Filberts.....	Estimate of 1953 production and year-end stocks.
25	Almonds.....	Do.
Feb. 1	Grain crops.....	International trade, 1953-54.
1	Dried figs.....	Estimate of 1953 production and year-end stocks.
8	Walnuts.....	Do.
15	Cashew nuts.....	Estimate of 1953 production.
Mar. 1	Grain.....	Estimate of stocks on Jan. 1, 1954, in Canada, the United States, Argentina, and Australia.
1	Raisins.....	Estimate of 1953-54 production.
8	Wool.....	Movement from Southern Hemisphere, July-Dec. 1953.
29	Dairy products (manufactured).....	Output, 4th quarter, 1953.
29	Pickled olives.....	Preliminary estimate of 1953-54 production.
29	Prunes.....	Do.
Apr. 5	Hard fibers.....	Estimate of 1953 production of abaca, sisal, and henequen.
19	Hops.....	Estimate of 1953-54 production.
26	Apples and pears.....	International trade, 1953.
May 3	Palm oil and kernels.....	Exports from principal countries, 1953.
17	Tobacco.....	International trade, 1953.
17	Whale oil.....	Estimate of production, 1953-54.
June 14	Beans.....	International trade, 1953.
14	Cashew and brazil nuts.....	Estimate of production, 1954.
14	Fats and oils.....	International trade, 1953.
21	Rice.....	Do.
21	Almonds.....	Forecast of 1954 production.
28	Dairy products (manufactured).....	Output, 1st quarter, 1954.
28	Bananas.....	International trade, 1953.
July 12	Citrus fruit.....	Do.
12	Copra and coconut oil.....	Do.
12	Wool.....	Do.
19	Filberts.....	Forecast of 1954 production.
19	Dairy products.....	International trade, 1953.
26	Meat.....	Do.
Aug. 16	Cherries, peaches, plums, prunes, and apricots.....	Preliminary estimate of 1954 production.
16	Dairy products.....	Estimate of 1953 consumption, principal countries.
23	Meat.....	Do.
30	Wheat and rye.....	Summary of condition 1954 crop, Northern Hemisphere (nonstatistical).
Sept. 6	Grain.....	Estimate of stocks on July 1, 1954, in Canada, the United States, Argentina, and Australia.
6	Wool.....	Preliminary estimate of stocks as of June 30, 1954, for principal countries.
6	Filberts.....	Preliminary estimate of 1954 production.
13	Almonds.....	Do.
20	Cashew and Brazil nuts.....	Do.
27	Dairy products (manufactured).....	Output, 2d quarter, 1954.
Oct. 4	Raisins.....	Preliminary estimate of 1954 production.
4	Walnuts.....	Do.
18	Dried fruits.....	Do.
18	Prunes.....	Do.
25	Cotton.....	International trade, Aug. 1, 1953-July 31, 1954.
25	Jute.....	Estimate of 1954 production.
Nov. 8	Dried figs.....	Preliminary estimate of 1954 production.
8	Cottonseed.....	Preliminary estimate of 1954-55 production.
15	Castor beans.....	Do.
29	Hops.....	Do.
29	Pickled olives.....	Do.
29	Grapes.....	Estimate of 1954 production.
Dec. 6	Chickpeas, lentils and broad beans.....	Estimate of 1954-55 acreage and production.
6	Peas, dry edible.....	Estimate of 1954 acreage and production.
27	Dairy products (manufactured).....	Output, 3d quarter, 1954.

CLAYTON E. WHIPPLE,
Acting Administrator.

EXHIBIT E

[Copy]

JUNE 24, 1953.

The Honorable DONOLD B. LOURIE,
*Under Secretary of State for Administration,
Department of State, Washington, D. C.*

DEAR MR. LOURIE: Before Assistant Secretary Anderson left for South America he asked me to write you with further reference to his discussion with you on June 19 with respect to the problems of the Foreign Service.

As you probably know, the Division of Foreign Reporting of your Department is currently engaged in reexamining reporting instructions and the background material used by reporting officers in the commercial and economic field. This reexamination, in which the Department of Commerce is asked to participate, is in two phases. In the first place the Economic Section of the Foreign Service Manual, which contains background material and reporting outlines on all phases of economic reporting, is being redrafted in the Division of Foreign Reporting and parts of it have already been referred to end-user agencies, including this Department, for comment. In the second place the Division of Foreign Reporting has instructed the end-user agencies to evaluate under its coordination the comprehensive economic reporting program instructions, which embody the post-by-post reporting requirements and schedules.

Assistant Secretary Anderson is of the very firm opinion that neither of these two efforts is timely. It is accordingly his very strong desire that all efforts in this direction be deferred until a more propitious occasion. He feels that it is impossible to make constructive contributions to a reporting program until the administration has resolved the more basic issues as to (a) the contents of our commercial and economic program; (b) the responsibility of the several agencies for carrying out the program; and (c) for guiding the Foreign Service in performing the field aspects of the program. Any work done at this time will, in his judgment, be wasted and will inevitably have to be done over when the basic questions we discussed with you the other day are resolved.

Moreover, these two efforts are being conducted within the artificial framework of the priority system approved by the Division of Foreign Reporting. The net effect of the review would, therefore, be to perpetuate the unsatisfactory conditions which we discussed with you and about which so many businessmen have complained to both our Departments.

Accordingly, Assistant Secretary Anderson has asked me to request you to take steps to have the current efforts, referred to above, held in abeyance. In the meantime, we are instructing Commerce officials to make no further comment with respect to either of these two phases of the current program of the Division of Foreign Reporting.

While our views have application to the problem generally, the nature of the question can perhaps be illustrated by 1 or 2 examples. Among the subchapters of the Economic Section of the Foreign Service Manual, which has been sent to us for comment, is one dealing with investment. As is known to the Department of State, the Departments of State, Commerce, and Treasury and the Mutual Security Agency are currently working on a new type of investment program. This program, which is being developed by an ad hoc committee chaired by Assistant Secretary Anderson, on which Assistant Secretary Waugh represents the Department of State, will inevitably result in entirely new concepts as to the functions of the Foreign Service in the investment field. It would be burdensome and confusing to all the departments concerned, as well as to the Foreign Service, to have a chapter on investment go forward at this time, only to be revised in substantial part within the next few months.

Another illustration is afforded by the subchapter on commodity and industry reporting. As the Department of State knows, most of the facilities within the Department of Commerce for using material of this character have been devoted since the Korean outbreak to defense production work. The Department is now considering the organization and scope of its commodity and industry work in the light of the fact that the defense production hump is over. It would be obviously premature to give the foreign field guidance in commodity and industry matters until the Department of Commerce has had an opportunity to reestablish its organization in this field and to determine what its calls on the Foreign Service will be in the light of the program yet to be established by the revived commodity and industry establishment of the Department.

FOREIGN REPORTING SERVICE

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May I reiterate that, while we are giving these examples of the confusion which would be created by going on with the efforts to revamp foreign economic reporting, our views are not confined to these illustrations. It is our firm conviction that all aspects of the reexamination of reporting functions in the economic field must be held in abeyance, at least until Mr. Anderson has concluded his discussions with you.

Sincerely yours,

LORING K. MACY,
Acting Assistant Secretary of Commerce.

CIBlau, Asst. Director,
Economic Affairs, OIT
6/24/53—pd

cc: Signer Schnellbacher
Macy Van Blarcom
Blau McCoy
OIT files W. Thomas
Adm. officer
Secy's. Correspondence
J. Foster
C. Gibboney
All Economic Affairs Divisions.

EXHIBIT F

Unclassified

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN COMMERCE,
Washington 25, D. C., March 9, 1954.
FC-910-MM

To: All Diplomatic Missions Except Those in the Soviet Bloc.
Subject: Correction—Circular memorandum subject: "Preparation of WTD Reports in Connection With Trade Lists."

The circular memorandum concerning the requirement for the preparation of WTD Reports in connection with trade lists was inadvertently dated March 4, 1953. The date should have been March 4, 1954.

E. F. BECKER,
Director, Commercial Intelligence Division.

Forwarded:

H. D. KEEFE
(For H. P. Van Blarcom, *Assistant Director for Foreign Service Operations.*)

Unclassified

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN COMMERCE,
Washington 25, D. C., March 4, 1953.
FC-910-MM

To: All Diplomatic Missions Except Those in the Soviet Bloc.
Subject: Preparation of WTD Reports in Connection with Trade Lists.

The Commercial Intelligence Division has reviewed its various procedures concerned with the preparation of trade lists and World Trade Directory reports for the purpose of reducing workloads on the Foreign Service to a minimum without impairing the quality of its service to business. It has been decided that a work saving could be effected if the forwarding of World Trade Directory reports previously required in connection with the submission of trade lists of importers and dealers were no longer mandatory, but left to the discretion of the Foreign Service post. Accordingly, it will be noted that the new letter of instruction for trade lists on importers and dealers reflects this change as follows:

"While firms listed should be urged to file WTD information, posts may submit completed reports to this office at their discretion or upon request by this office as inquiries are made concerning firms named. In any case, the submission of lists should not be delayed pending the completion of such reports."

This change in no way indicates that there has been a slackening in demand for WTD information; on the contrary, statistics indicate that the Division furnished over 1,700 reports to United States business firms in the month of February, some 25 percent greater than the 1953 monthly average. However, it is our belief that if sacrifices in service must be made, the Division should concentrate on a narrowing of the total area of service rather than a general lowering of the standard. The new procedure, it is hoped, will enable the Foreign Service to continue its timely service in the submission of requested WTD reports and trade lists, while cutting down on desirable, but less essential activities.

E. F. BECKER,
Director, Commercial Intelligence Division.

Forwarded:

G. H. KEATLEY,
(For H. P. Van Blarcom, Assistant Director for Foreign Service Operations).

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